

# PUBLIC ASSISTANCE COVID-19 INELIGIBLE COSTS

## BULLETIN #19 – 4/14/20

Please find below costs that are ineligible through the FEMA Public Assistance (PA) Program:

The Stafford Act authorizes FEMA to provide PA funding for specific work performed as a result of the incident. It does not authorize FEMA to provide PA funding for all losses or costs resulting from the incident. The following costs are not eligible because the Stafford Act does not authorize FEMA to provide PA funding for these items.

### 1. Loss of Revenue

Example of when a loss of revenue may occur as a result include:

- Hospitals release non-critical patients to make room for survivors
- Hospitals sustain damage that reduces the pre-existing capacity
- A utility system is shut down as a result of the incident
- Events are canceled as a result of an entity using a venue for incident-related activities, such as sheltering.

### 2. Loss of Useful Service Life

An example of this would be if a road has been inundated by floodwaters for an extended period of time, FEMA cannot provide PA funding for the value of the projected loss of useful life of the road due to the long-term effects the inundation might have on the road.

### 3. Tax Assessments

State, Territorial, Tribal, and local governments may conduct tax assessments to re-assess real property values after an incident. Costs related to conducting these assessments are not eligible because the assessments are neither essential to addressing an immediate threat to life.

### 4. Increased Operating Costs

Increased costs of operating a facility or providing a service are generally not eligible, even when directly related to the incident. However, short-term increased costs that are directly related to accomplishing specific emergency health and safety tasks as part of emergency protective measures may be eligible.

### 5. Certain Private Nonprofits (PNP)

To be eligible for PA funding, PNPs must meet specific criteria. PNPs that do not meet the following criteria are ineligible.

A PNP applicant must show that it has:

- A ruling letter for the Internal Revenue Service (IRS) granting tax exemption under sections 501(c), (d), or € of the IRS Code of 1954; or
- Documentation from the state substantiating that the non-revenue producing organization or entity is a nonprofit entity organized or doing business under state law.

Additionally, eligible PNPs must also own or operate an eligible facility that provides an eligible service. This includes education, utilities, emergency medical, custodial care, and other essential social services.

6. Unauthorized Non-Congregate Sheltering

For non-congregate sheltering to be eligible, it must meet specific criteria as outlined by FEMA. Additional information regarding non-congregate sheltering can be found in [Bulletin #4 – Non-Congregate Sheltering Delegation of Authority](#) and [Bulletin #10 – Non-Congregate Sheltering FAQ](#).

7. Assistance Covered by Another Source

FEMA cannot provide assistance under PA for anything that is covered by another funding source. This includes:

- Funding provided by HHS, including the Centers for Disease Control and Prevention (CDC).
- Provide PA funding for emergency medical costs if they are covered by another source, including private insurance, Medicare, Medicaid, or a pre-existing private payment agreement.

8. Certain Emergency Medical Care and Facilities

The following are not eligible under PA:

- Private for-profit entities, including for-profit hospitals, are not eligible for assistance under PA.
- Long-term medical treatment to include:
  - o Medical care costs incurred once a COVID-19 patient is admitted to a medical facility on an inpatient basis.
  - o Costs associated with follow-on treatment of COVID-19 patients beyond the duration of the Public Health Emergency.
  - o Administrative costs associated with the treatment of COVID-19 patients.

9. Noncompliant Procurement

All procurement must follow local, state, and federal procurement requirements. Additional information on these requirements can be found on [Bulletin #5 – Emergency Protective Measures Procurement](#), [FEMA Fact Sheet – Procurement Under Grants: Under Exigent or Emergency Circumstances](#), as well as on the DEM COVID-19 website linked below, under “Recovery Procurement.”

Additional information regarding ineligible PA funding costs is available in the [Public Assistance Program and Policy Guide](#), pages 41-42.

For a list of eligible costs under this program for this incident, please review FEMA's [COVID-19 Eligible Emergency Protective Measures Fact Sheet](#).

Additional DEM Bulletins, FEMA Fact Sheets, and additional recovery resources can be found on the DEM Website at: <https://dem.nv.gov/COVID-19/home/>

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